

March 21, 2018

To: Chairman Shirkey and Members of the Senate Michigan Competitiveness Committee

Subject: Senate Bill 897

The National Association of Social Workers – Michigan Chapter (NASW) is a membership organization of professional social workers working in various critical health care related sectors, including hospitals, primary care clinics, substance abuse treatment agencies, community mental health agencies, AIDS service organizations, veteran services, and more. There are more than 24,000 licensed social workers in Michigan. NASW supports policies that improve the health and well-being of all members of society – particularly the most vulnerable.

NASW appreciates the intent of SB 897 – to “prepare able-bodied adults for a life of self-sufficiency.” However, this legislation is very unlikely to produce the desired outcome. More likely, this legislation will produce many significant undesirable outcomes. Therefore, NASW is vehemently opposed to SB 897 in its current form. Below are a number of specific questions and concerns with the bill:

- 1) Instilling work requirements will be bureaucratically complicated and expensive. How many employees will be hired to manage the administration of the waiver and what other resources will be necessary? How much will this cost taxpayers? Early estimates are in the hundreds of millions of dollars. Will taxpayers really save enough money to outweigh that cost?
- 2) Costs for uncompensated care will likely skyrocket. Overall, expansion reduced unpaid medical debt in its first two years by \$3.4 billion. This has resulted in a reduction of financial stress on individuals and institutions (Brill, 2018). This bill begins to reverse that trend.
- 3) How will the state attract employers to increase job opportunities in the state? Michigan has been turned down by multi-national corporations lately because of our lack of infrastructure and poor school outcomes. How will a less healthy workforce help that?
- 4) Most Medicaid enrollees are working. Of the people who could be subject to work requirements, 60 percent are already working, and 79 percent have at least one worker in the family (Katch, Wagner, & Aron-Dine, 2018). Of those who aren’t themselves working, more than 80 percent are in school or report an illness, disability, or caregiving responsibilities that keep them from working (Katch, et al., 2018). Will these populations be exempted?
- 5) Enrollees who are seemingly able to work but aren’t employed typically lack not motivation, but work supports such as job search assistance, job training, childcare, or transportation assistance. Although states are mandated to offer work supports, they are prohibited from using Medicaid dollars to do so (Katch, et al., 2018). How will these work supports be paid for?

- 6) Enrollees may lose or see interruptions in coverage because their work hours fluctuate from month to month, sometimes falling below required thresholds. Fluctuating hours are particularly common in the two industries with the largest number of Medicaid enrollees: restaurant or food services and construction (Katch, et al., 2018). How will fluctuations in work hours be accounted for?
- 7) With the ongoing opioid epidemic, we have concerns about how the exemptions for people seeking treatment are worded. For instance, how will someone who has lost insurance due to not working seek treatment? Will Medicaid be reinstated fast enough to begin detox and inpatient treatment if someone is willing to seek treatment knowing they are uninsured? Will someone exiting treatment be expected to find work immediately or will there be a grace period?
- 8) If someone is experiencing a mental illness that is interfering with their ability to work 30 hours per week, there are little to no options available for them if they lose coverage. General Funds in the CMH system have been cut. They are unlikely to qualify for services at CMH until their mental illness is exacerbated to the point where CMH will accept them. These individuals will end up getting "treatment" in jails and emergency rooms. What exemptions can be made for people with mental illness?
- 9) There are a number of supports and services provided in AIDS service organizations that are funded via Medicaid dollars, in particular the Healthy Michigan Plan. People with this illness do not qualify for disability benefits, yet have exorbitant health care costs. We have made great strides treating people living with HIV/AIDS and this bill would reverse that.
- 10) Will people who cannot find work due to their criminal record be exempted? The House CARES Task Force is making great strides closing gaps in the mental health and substance abuse treatment system as well as finding ways to employ individuals with criminal backgrounds. However, this bill reverses much of that work.

In closing, not only is the bill unlikely to result in improved health or employment outcomes, the State will have to shoulder the costs of implementing and administering work requirements. These costs will greatly outweigh any savings created by disqualifying Medicaid recipients and will ultimately fall upon Michigan taxpayers. On behalf of NASW-Michigan and our members, I respectfully urge you to oppose legislation that would require adult Medicaid recipients to provide proof of employment to maintain eligibility. I would appreciate any opportunity to work with you to develop solutions to the aforementioned concerns.

Sincerely,



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